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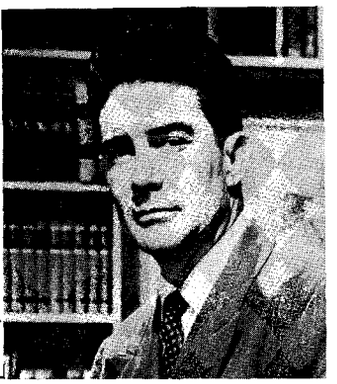

DAN SMOOT

KEY TO FREEDOM

In the spring of 1952, United Steel Workers of America (CIO) threatened a nationwide steel strike, because management would not meet union officials' demands for increased wages, fringe benefits, and so on. On April 8, 1952, President Harry S Truman ordered the Secretary of Commerce to seize and operate major steel mills in the United States. Truman's Executive Order said the industry was being nationalized in order,

"that we may be able to repel any and all threats against our national security and to fulfill our responsibilities in the efforts being made throughout the United Nations and otherwise to bring about a lasting peace . . . ."[1]

On June 2, 1952, the U. S. Supreme Court ruled, in a six to three vote, that the seizure was illegal, saying a President has no constitutional authority to seize private property within the United States without prior congressional authorization.[1]

The U. S. Constitution does not empower Congress to authorize seizure of private property, either to promote defense or to fulfill commitments to the United Nations.

Truman's illegal act (though nullified by the Supreme Court decision) set a precedent for future control of the steel industry by the executive department of the U. S. government.

On March 31, 1962, United Steelworkers of America (AFL-CIO) and the steel industry announced agreement on new contract terms, three months before the old contract was to expire. New fringe benefits which steel manufacturers granted the union cost about ten cents per hour per worker, raising employment costs by about 2.5 percent the first year. President John F. Kennedy, who had urged contract negotiators to reach an early settlement, was jubilant over the "obviously non-inflationary" settlement.[2]

On April 10, 1962, the United States Steel Corporation announced an immediate increase of six dollars a ton in the price of steel to meet increased production costs caused by the "non-inflationary" settlement. Other leading steel companies announced similar price increases. Furious, President Kennedy said:

"My father always told me that all businessmen were sons-of-bitches but I never believed it till now."[2]

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Concerning the union which had forced the increased costs requiring the price increases, President Kennedy said:

"The Steel Workers Union can be proud that it abided by its responsibilities in this agreement . . . ."

"[The actions of the steel companies] constitute a wholly unjustifiable and irresponsible defiance of the public interest."[2]

On April 13, 1962, U. S. Defense Secretary Robert S. McNamara announced that defense contractors and suppliers had been ordered to shift their buying to companies that had not raised steel prices. Arthur J. Goldberg (then Secretary of Labor) was sent to New York to confer with steel officials. Steel company officials, buckling under government pressure, cancelled the announced price increases.[2]

In the summer of 1965, the United Steel Workers Union was again threatening a nationwide strike. President Lyndon B. Johnson demanded that steel companies come to terms with the union, or suffer the full wrath of the federal government. On September 3, 1965, President Johnson announced that the companies and the union had met his demands (which increase steel industry wage costs 47.3 cents an hour).

Some Americans laughed sardonically about how Johnson got the "consensus" he wanted in the 1965 steel dispute. There were reports that the President virtually ordered the negotiators to stay in a room at the White House until they made a settlement the President approved. Columnist Art Buchwald — known as a humorist — wrote a mock article about the President locking the negotiators in a room, denying them food and water and cutting off the air conditioning, until they surrendered to his demands.

In serious vein, *U. S. News & World Report* commented:

"Strong-arm methods by White House in steel indicate that there will be compulsory arbitration of big disputes within the White House itself in the future, with political influence of unions a factor in fixing the balance."[3]

Associated Press news analyst James Marlow, also in serious vein, applauded President Johnson's intervention in the steel dispute, saying it proves that the American people do not really want free enterprise, because it will not work.[4]

Thus, we have arrived at a standard landmark of all modern socialist dictatorships: the place where monopolistic unions, having been coddled and favored by government, become de facto branches of government.

We should review some of the landmarks we have passed in the descent to our present position.

In 1776, Adam Smith, Scot economist, published *Inquiry into Nature and Causes of the Wealth of Nations*, which is the classic statement of the *laissez-faire* theory of economics—the theory that government should not meddle in the economic affairs of the people, because national progress is best advanced by freedom of private initiative within the bounds of common law. When people are left free in their economic activity, the people effectively regulate and control business activities of employers and workers—dooming to bankruptcy and unemployment those who abuse the consuming public, rewarding those who serve consumers well.

In a free-market economy, each consumer votes for the product of his choice with every penny he spends. Producers must compete for consumers' money by offering the most attractive product or service at the lowest cost. The system cannot work perfectly, however, if government intervenes to favor, or to inhibit, the economic activity of any particular group of employers or workers.

The American Republic, with a constitutional system that bound the federal government down with chains of specific limitation, and required equal treatment of all citizens under the law, came closer than any other nation in history to having a genuine enlightened free enterprise system—a perfect free-market economy. Hence, America prospered more than any other nation in history. Government favored no special interest. Businessmen were free to hire and fire, produce

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and sell, as they pleased, in competition with others, as long as they complied with laws which protected the life, liberty, and property of everyone. In consequence, private investors constantly opened new fields of endeavor, founding new businesses, creating new job opportunities faster than they could be filled, continuously bidding up the wage level in their quest for workers. Workers were free to offer their skills or common labor to the highest bidder. Real wages, paid in uninflated dollars, rose to unmatched heights.

While Europe was sinking into the morass of socialism — misled by socialist propaganda that employers were the enemy of workers, perpetually engaged in ruthless warfare to keep the proletariat in chains—America became the promised land for people who wanted freedom to work for their own fortunes, uninhibited by government or by special interest groups enjoying government favoritism.

Early in the 19th Century, the federal government began stretching the constitutional bounds upon its power, tampering with the free-market system; but nothing of profoundly damaging consequence was done until the Civil War, when President Abraham Lincoln set aside the Constitution in order to prosecute the war and save the union. During the Civil War, the federal government violently disrupted the free-market economy by establishing a central banking system; issuing fiat money; granting war contracts which enriched some citizens while harming others; enforcing a draft act which disrupted the free labor market by enabling some to buy exemption from military service and engage in lucrative civilian occupations, thus imposing upon others an unfair portion of the fighting and sacrificing.

Economic distortions caused by government during the Civil War multiplied in the postwar period. The administration of President Ulysses S. Grant (1869-1877), who was enamored of wealth, was notorious for corruption and special favoritism which enabled great private fortunes to grow greater. The deliberately cultivated national urge to build transcontinental railroads *immediately*, without regard to current need and consequences, together with the greed of wealthy speculators who had influence in government, produced the reckless program of giving millions of acres of public land to private railroad companies.

Eventually, the federal government acted, not to eliminate the bad condition it had created, but to "regulate" the condition: on February 4, 1887, Congress passed the Interstate Commerce Act, creating the Interstate Commerce Commission to provide government regulation of railroads, whose abuses had been made possible by government favoritism.

The Sherman Antitrust Act of 1890 was another step in the wrong direction. Accomplishing nothing constructive, the Sherman Antitrust Act was supplemented by the Clayton Antitrust Act of 1914.

Whereas previous federal programs and laws had disrupted the free market economy by granting special favors to an arbitrarily selected few, the Clayton Act was the first federal law to inject class distinction into government meddling in the market place. The Clayton Act *compelled businessmen* to obey the dictates of federal antitrust bureaucrats, while *exempting unions.*[5]

In 1926, Congress passed the Railway Labor Act, authorizing unions to combine for restraint of trade by conducting nationwide strikes against railroad companies (while the companies were prohibited from acting in unison to protect their own interests).[5]

The Clayton Act of 1914 and the Railway Labor Act of 1926 provided a means of shifting control of the American economy from a government-business combine to a government-labor combine. The time was not ripe for the shift, however, until the economic backlash of government's intemperate interventions and ruthless manipulations (during and following World War I) produced the depression of the 1930's. Then, instead of abolishing the socialist controls that had caused the trouble, so that our magnificent open market economy could again flourish at a healthy, peace-

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time level, Americans allowed Franklin D. Roosevelt to establish the welfare state.

Samuel Gompers (known as the father of the labor movement in America) had founded the old American Federation of Labor in 1881 as a voluntary association of free working men. Gompers had strongly opposed political action by unions, and scorned the use of force in union activities.[5,6] The National Labor Relations Act (Wagner Act), passed in 1935 during Franklin D. Roosevelt's first term, put an end to the Gompers type of union official and plunged the country into a bloody, shameful period of monopolistic unionism. Workers, forced to join unions and pay dues, were ordered out on strike as a means of compelling whole industries to do the will of union bosses. Bombings, beatings, vandalism became commonplace union strike tactics and recruiting practices. The victims included not only business firms which resisted unionism and workers who refused to join unions, but families of non-union workers and entire communities.

By 1943, America was in the midst of World War II, and control of our economy was in the hands of the government-labor combine. The combine denied responsibility for the war, but took credit for the economic activity and technological development which the war stimulated. Note these comments from *Economic Council Letter*:

"In World War II, there were almost unbelievable technical advances, which we see in TV, airplanes, plastics, drugs, all kinds of familiar things. They are the same type of technological gains which followed World War I. They provided the surpluses from which industry would have paid higher wages. The political leaders and the political 'labor' leaders were sitting on top of the wage negotiations. Like Chanticleer they crowed, 'We made the sun rise.'

"That was not all. After World War II the Government retained a dominant influence on the pricing of goods and services through another channel. Government was the largest and most powerful purchaser in the nation. Its purchases for defense, foreign aid, housing it financed, for agricultural products, gave it monopolistic power in setting prices in wide and influential areas of the economy. The private procurer must set prices in relation to the market situation, because he must sell at prices which please other people. The Government can set its price for goods or services above the market, because it controls the amount of money in circulation. If it wishes wages to rise, it pays a higher price in its contracts, gives the employer a high enough return to cover the political increases, and balances its books, not by admitting a deficit but by increasing the supply of money through bank credit expansion.

"Industry-wide bargaining has turned into a device by which the Federal Government can let wage levels rise above productivity levels, and reimburse industry out of inflation."[5]

In 1943, monopolistic unions began to organize for political control in the United States. Sidney Hillman (president of Amalgamated Clothing Workers of America—CIO) formed two political action groups which quickly became such powerful forces in American politics that "clear it with Sidney" became a grim national joke. The implication was that President Franklin D. Roosevelt never listened to a new proposal affecting policies of the federal government or of the Democrat Party until Sidney Hillman had first evaluated it.[7]

The CIO's political action arm soon became notable for another reason: communism. Communist control of CIO political action virtually meant communist control of the national Democrat Party and of the federal government. In 1944, the House Committee on Un-American Activities, under the chairmanship of a Democrat (U. S. Representative Martin Dies, from Texas), made a report calling Hillman's National Citizens Political Action Committee a communist front. The House Committee report said:

"It has been clearly established by overwhelming evidence that the National Citizens Political Action Committee is the major Communist front organization of the movement. As a front organization, it represents the Communist Party's supreme bid for power . . . .

"It is not alleged that 83 percent of the 141 members of the NCPAC are Communists. It is, on the other hand, alleged and established on the basis of the public record that 83 percent of the NCPAC's members, including Sidney Hillman

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himself, have served as 'fronts' for Communist front organizations . . . ."[7]

In 1947, the American Federation of Labor (AFL) established a political action group: League of Political Education—AFL-LPE. In 1955, when the AFL and the CIO merged, CIO-PAC and AFL-LPE joined to become COPE—Committee on Political Education. Walter Reuther was the first director of COPE.[7]

Not controlled by federal laws which severely limit political activities of businessmen and business organizations (and ignoring laws intended to limit political activities by unions), Walter Reuther's COPE, with money taken from workers for other purposes, had a profound influence on 1956 congressional elections — almost capturing a controlling majority in both houses of the U. S. Congress.[7]

Constitutional conservatives intensified their efforts and made progress in reeducating the public to an understanding of constitutional principles. Consequently, in the 1958 congressional elections, Reuther's COPE, though gaining some strength in the U. S. Senate, lost influence in the House. This challenge to socialist supremacy alarmed Reuther and his minions. Though they had been spending millions of dollars from union funds (and countless man hours) in support of political candidates, and in the dissemination of socialist propaganda through union publications and broadcasts, they launched a new program to discredit or outlaw all effective educational and political activity by constitutional conservatives.[7]

On December 19, 1961, Walter Reuther presented to Attorney General Robert Kennedy a memorandum on "The Radical Right in America Today," which said, among other things:

"The radical right or extreme right-wing, or however it may be designated, includes an unknown number of millions of Americans of viewpoints bounded on the left by Senator Goldwater and on the right by Robert Welch . . . .

"The radical right moves the national political spectrum away from the Administration's proposed liberal programs at home and abroad . . . .

"What are needed are deliberate Administration policies and programs to contain the radical right from further expansion and in the long run to reduce it to its historic role of the impotent lunatic fringe . . . .

"The radical right poses a far greater danger to . . . this country . . . than does the domestic communist movement."[7]

Expressing grave concern because the "radical right" already numbers millions, and is growing, Reuther suggested that the Attorney General formally brand "radical rightists" subversives and outlaws; that they be harassed by the Internal Revenue Service; and that *they be denied means of expressing their views on radio and television.*[7]

On July 26, 1963, the Federal Communications Commission sent a Public Notice to all broadcast stations, concerning the FCC's Fairness Doctrine. The FCC Fairness Doctrine has not achieved all that Reuther wished, but has been used most effectively to harass and restrict the already limited broadcast coverage of constitutional conservatives.[7]

The government-labor combine's discrimination against conservative broadcasters, together with increased political activity by COPE, was among the factors contributing to socialist victories at the polls in 1964. In November, 1964, the COPE Research Department exulted over the elections, saying:

"President Johnson's landslide victory on November 3 shook established patterns of voting, sweeping through traditionally Republican states in New England and the middle west and swing states on the west coast, securing the beach-head established by Kennedy in suburban areas with a 15 percent increase in the Democratic vote and smashing right-wing claims to a silent waiting body of voters large enough to affect the outcome . . . .

"The campaign which resulted in a defeat of almost unprecedented magnitude started with a bang in San Francisco by commending extremism and promoting what James Reston called 'the immorality of policies that would leave the Negro's

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yearning for equality to the states, weaken the social legislations of a generation and impose aggressive policies that would not be tolerated by either the allies or the Communists' . . . .

"One of COPE's most valuable contributions to the 1964 election campaign began about two years before Senator Goldwater's nomination with the collection and distribution of detailed information on extremist groups operating in every state of the union. The 1964 COPE Area Conferences were directed almost entirely to this subject with discussion reinforced by literature and a film which received wide exposure throughout the country and continuing to election eve.

Until the Republican convention in July, 1964, COPE's voice was almost the only one raising the alarm against such groups as the Birch Society, the Americans for Constitutional Action and the Minutemen. COPE fought alone to counteract the flood of right-wing broadcasts and literature for many months before the threat was taken seriously and such action became not only respectable, but fashionable.

"More International Unions were involved in the 1964 COPE operation than ever before. More unions have appointed full-time COPE Directors and others are contemplating this action. Attendance at COPE Operating Committee meetings has been unusually high. Requests by national COPE for all kinds of assistance from the various internationals have been met to an unprecedented degree.

"Financial contributions reached a new high in 1964, and more Internationals released top grade manpower for election work.

"We are encouraged by a general improvement in COPE organization on the state and local level . . .

"The COPE campaign at the national level selected areas of concentration and provided direction and materials for a campaign which was unusually successful on all levels . . . .

"More than 55 million pieces of COPE literature and 10 million COPE voting records were distributed in the campaign. In a number of important areas this was the only literature available. Its popularity is attested to by the number of re-orders received which ran the number printed to this enormous figure.

"Sixty-eight percent of all COPE-backed national candidates were elected in 1964. This compares to 57% in 1960 and 60% in 1962.

"Two hundred and thirty-seven of 354 labor-endorsed candidates for the House, 25 of 31 candidates for the Senate and 14 of 22 candidates for Governor won election . . . .

"The 1964 COPE registration drive, concentrated in areas with a high potential of liberal votes, was of major importance in close Senatorial, gubernatorial and House contests . . . .

"Efforts should be begun now to secure good candidates for close races in 1966 . . . .

"Some of the conservative incumbents who won by narrow margins in 1960 may be vulnerable if good candidates can be found to start running early enough to establish themselves early . . . ."

Recently, the *Weekly Labor Forecast and Review* quoted Alexander E. Barkan, present national director of COPE, as saying:

"Unions will put political actions on an equal basis with collective bargaining. Whatever we cannot obtain from management through bargaining, we will get from city councils, state legislatures and the U. S. Congress."[8]

On July 28, 1965, the U. S. House of Representatives passed a bill to repeal Section 14(b) of the Taft-Hartley Act—the right-to-work section which keeps the federal government from interfering with state legislation that outlaws compulsory unionism. Next day, Roy Evans, secretary-treasurer of the Texas AFL-CIO, expressed jubilation over the House action, and explained why unions want to abolish state right-to-work laws. Evans said:

"We expect to get at least $6,000,000 a year during the next two years if the Senate joins the House in passing this bill.

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"We would get about $2,000,000 almost immediately. The money would go a long way to help us attain our objectives . . . ."

"This is money we can use to finance arbitration and negotiation activities and to pay for campaigns promoting the objectives of organized labor."[9]

The following paragraph from Dorothy Kilgallen's column of September 27, 1965, indicates how union bosses use union funds for "promoting the objectives of organized labor":

"Members of a show business union were more than a bit annoyed at getting requests — on union stationery, from their union chief — for a donation for one of the Democratic candidates who lost. Not that they had anything against the candidate, but they just weren't planning to vote for him, and they're still wondering what percentage of their dues went to pay for the letter paper, the secretaries, and the stamps involved in soliciting for a candidate they had never endorsed. The performers can't do a thing about it, because if they don't belong to the union they can't work, but it would seem to indicate a congressional investigation . . . ."

What To Do?

In the COPE report on its 1964 successes and its plans for 1966, constitutional conservatives can see what *they* should do: intensify their public educational work immediately, directing all efforts toward finding and electing constitutionalists in the 1966 elections.

American labor unions are already spending nearly a billion dollars a year. If Section 14(b) of the Taft-Hartley Act is repealed, they can confiscate more millions from workers to serve the interests of union officials. Constitutionalists do not have access to that much money and do not enjoy the tax exemption and other special privileges that unions enjoy; but constitutionalists have truth and the Constitution on their side. That is enough for victory if they will exert themselves to educate the uninformed about the fallacies and failures of socialism, and about the proven success of freedom. When the educational job is adequately done, effective political action will follow.

The key to freedom is first, public education in the principles of free enterprise and constitutional government and, second, political action which elects officials to implement those principles. If constitutionalists do not get this job done, the government-labor combine will soon have a death grip on our Republic.

Some constitutionalists who have worked very hard for a very long time have been discouraged —by the fact that millions voted for Lyndon B. Johnson in 1964, despite all that was publicly known about Johnson and some of his friends (such as Billy Sol Estes, Bobby Baker, Walter Jenkins); by the sorry spectacle of Congress rushing to approve Johnson programs that even a

WHO IS DAN SMOOT?

Born in Missouri, reared in Texas, Dan Smoot went to SMU getting BA and MA degrees, 1938 and 1940. In 1941, he joined the faculty at Harvard as a Teaching Fellow, doing graduate work for a doctorate in American civilization. From 1942 to 1951, he was an FBI agent: three and a half years on communist investigations; two years on FBI headquarters staff; almost four years on general FBI cases in various places. He resigned from the FBI and, from 1951 to 1955, was commentator on national radio and television programs, giving *both* sides of controversial issues. In July, 1955, he started his present profit-supported, free-enterprise business: publishing *The Dan Smoot Report*, a weekly magazine available by subscription; and producing a weekly news-analysis radio and television broadcast, available for sponsorship by reputable business firms, as an advertising vehicle. The *Report* and broadcast give *one* side of important issues: the side that presents documented truth using the American Constitution as a yardstick. If you think Smoot's materials are effective against socialism and communism, you can help immensely — help get subscribers for the *Report*, commercial sponsors for the broadcast.

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school child should recognize as harmful and unconstitutional; by the apparent apathy of the general public.

I wish they could read my mail. They would see proof that people are being reached and moved to action in the cause of freedom. The following is from a recent letter, which is typical of letters now coming to me, in increasing volume, from all areas where my broadcasts are on the air:

"Three or four years ago I used to turn off your program. I could not stand the way you found fault in our government. But the past year, with the election and the war in Viet Nam, I've become very politically aware. Suddenly the errors of our liberalized politicans have become all too apparent. I can't read enough about our government, history and other forms of government. I'm sure your work will help me to a broader understanding. I would also appreciate any reading matter you might suggest, to help me learn more about our government. The more I read, the more conservative minded I become. I hope other Americans can pull their heads out of the sand as I have, before it is too late."

The above letter, from an American who has been alerted to the responsibilities of citizenship in a free society, by listening to conservative broadcasts, provides a cue to action for all constitutional conservatives: withdraw your support from businessmen who do nothing for the cause of liberty, or who sponsor the propaganda of socialism, and encourage the businessmen who sponsor conservative broadcasts and publications—by writing to let them know you like what they are doing for our country, and by purchasing their products and services.

FOOTNOTES

(1) *The Constitution Of The United States of America*; Legislative Reference Service, Library of Congress, 1953, pp. 489-92

(2) "Steel Price Rise Rescinded, Inquiry Blocked," *Congressional Quarterly Almanac*, 1962, pp. 1017-9

(3) "Tomorrow," *U. S. News & World Report*, September 20, 1965, p. 34

(4) "Responsibility for Welfare Slowly Evolves in the U. S.," by James Marlow, *The Dallas Times Herald*, September 15, 1965, p. 56A

(5) Clayton Antitrust Act," *The Encyclopedia Americana*, Volume VII, 1961 edition, p. 75; "Privileged Labor," *Economic Council Letter*, February 1, 1965, 4 pp.

(6) *Seventy Years of Life and Labor*, by Samuel Gompers, 1925 edition, p. 132

(7) For a detailed, documented background of labor's Committee on Political Education, see "COPE," *The Dan Smoot Report*, April 6, 1964, pp. 105-112; reprints available at rates printed on the bottom of the first page of this *Report*.

(8) "Whither The Republican Party — Can It Be Revived?", *Economic Council Letter*, August, 1965, 4 pp.

(9) "Union Leader Talks Of Additional Funds," *The Dallas Morning News*, July 30, 1965, p. 11A

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